

EXHIBIT E

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

**LAURA FAUGHT and STEVEN
FAUGHT, on behalf of themselves and
all others similarly situated,**

Plaintiffs,

v.

**AMERICAN HOME SHIELD
CORPORATION,**

Defendant.

Case No.: 2:07-CV-1928-RDP

DECLARATION OF JOLEEN WADLINGTON

I, Joleen Wadlington, declare as follows:

1. I am an employee of American Home Shield Corporation ("AHS"). My current title is Director, Product Design Development and Policy Governance. The matters set forth in this Declaration are based upon my personal knowledge and my familiarity with certain business records and practices referenced herein.

2. When AHS makes changes to its customer contracts, the process of preparing new contracts and ultimately bringing them to market and converting our customers to the new contracts takes approximately two years. This is because there are numerous steps – both internal and external – that must be taken before a customer contract can be used in the marketplace.

3. First, AHS must draft the content of the new contract. This process – which requires the input of our business teams and legal counsel – typically takes approximately 30

days.

4. Second, after AHS's business and legal teams have approved proposed new contract language, that contract must be submitted to AHS's various state regulators for their review and approval. AHS is regulated by and must file customer contracts with regulators in each of the following sixteen states: Arizona, California, Florida, Hawaii, Illinois, Iowa, Louisiana, Massachusetts, Nevada, Oklahoma, South Carolina, Texas, Utah, Washington, Wisconsin, and Wyoming. It takes AHS approximately ten days to prepare its revised contracts for submission to state regulators, and then it can take 90 days (or more) for the state regulators to review, comment on and ultimately approve new contract language.

5. Third, prior to using state-regulator-approved contracts on the market, AHS must prepare both the actual contracts themselves and its business teams and partners for implementation of the new contracts. This preparation involves design, creation, approval and production of actual print versions of the contracts for use on the market (of which there can be hundreds of different versions). In addition, AHS must train its customer service associates and communicate with third party contractors about the new contracts before they can be implemented to ensure consistency and compliance with their new provisions. To the extent AHS has marketing relationships with third parties, those entities must also be made aware of and provided with the new contract language and marketing materials. Finally, AHS must ensure that it implements any internal business policies necessary to support the new contract provisions. Completing these various steps can take 120 days (or more).

6. Fourth, presenting the new contracts to customers in the marketplace can also take

time in each of AHS's marketing channels.¹ For example, in the real estate channel, AHS's account executives must ensure that all real estate brokers who have AHS contracts are using the new contracts in connection with their real estate transactions. Because there are literally thousands of real estate broker offices with AHS marketing materials and contracts around the country, and because listing contracts can last up to 180 days, the process of phasing in the new contract with those brokers can take more than 180 days.

7. Phasing in the new contract through the direct to consumer and third party accounts channels also takes time. This is because up until the date on which AHS is able to roll out a new contract, it will keep using its old contracts in mailings to potential customers. Customers who respond to those mailings and elect to have an AHS contract will therefore be signed up under the old contracts. It can take up to 180 days before customers cease responding to mailings that contained the old contracts.


8. The most significant delay in implementing a new contract comes in the retention channel. This is because AHS contracts are on a 12-month cycle. Thus, after a customer signs up for an AHS contract, that version of the contract will govern the relationship for 12 months. If AHS desires to retain that customer, it will send the customer a renewal solicitation including notice of contract fee and terms of renewal approximately 120 days before expiration of the contract. Thus, the first renewal customers who could be signed up under a new contract would have to be those whose contracts expire 120 days after AHS is able to activate the new contract.

¹ AHS's marketing channels include real estate, direct to consumer, third party accounts, and retention channels. The real estate channel is the channel through which AHS markets its contracts in connection with the listing, sale and purchase of new homes. The direct to consumer channel is the channel through which AHS markets its contracts directly to consumers – such as via direct mailing, Internet advertising, etc. – not in connection with specific real estate transactions. The third party account channel is the channel through which third parties market AHS's contracts to consumers. Finally, the retention channel is the channel through which AHS attempts to renew customers whose contracts would otherwise expire.

Twelve months after that, AHS will generally have completed the process of renewing customers under the new contract provisions.

9. In short, given the various internal and external steps to be taken, it can take approximately two years for AHS to fully implement a new contract.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Executed on this 26th day of February, 2010, at Memphis, Tennessee.



Joleen Wadlington